

PROOFREAD _____

MATERIALS PERMIT NO. MP 60GRANT: SCHOOL**RECEIVED**
APR 17 1987DIVISION OF
OIL, GAS & MININGTHE STATE OF UTAH
DIVISION OF STATE LANDS AND FORESTRY
ORDINARY SAND AND GRAVEL PERMIT

In consideration of the fees to be paid and the covenants to be kept and performed, the State of Utah, acting by and through its Board of State Lands and Forestry, hereinafter referred to as "Permitter," does hereby permit unto:

M. C. Godbe III
1012 Newhouse Building
Salt Lake City, UT 84111

Hereinafter referred to as "Permittee," the right to come onto the following described lands situated in Millard County, State of Utah:

T22S, R11W, SLB&M
Sec. 32: N2NE4NW4, E2SW4SW4

containing 40 acres, more or less, for the purposes described below.

This permit will remain in effect, unless sooner terminated as herein proved, for a term of 2 years, beginning July 1, 1986.

This permit is granted subject to the following terms and conditions:

1. This permit will terminate automatically 12 months from the date of execution unless removal of the material covered by said contract has commenced, including the posting of appropriate bonds and submittal of an approved plan of operation.

2. Permittee shall have the right to excavate and purchase from Permitter ordinary sand and gravel from the above described property. Ordinary sand and gravel under this permit includes only commonly occurring varieties of sand or gravel and does not include unique varieties of sands such as lime sands, magnetic sands, or silica sands, nor does it include any deposit of high grade, commercially exploitable sand and gravel. Permitter reserves the right to determine the amount, rate, and season of extraction of ordinary sand and gravel which may be excavated under this permit in any given year.

3. Permittee shall promptly pay the Permitter the sum of \$10.00 per acre per year in advance. Also, Permittee shall pay the Permitter as purchase price the sum of 30 cents per cubic yard of ordinary sand and gravel excavated from the land not less than 120 days following the date of such excavation. Permittee shall maintain accurate records as to dates, quantities, and measurements of excavation occurring in the permit area and shall allow Permitter to freely examine such records at any time. Permitter reserves the right to adjust the annual acreage fee and/or purchase price at the end of any permit year during the term hereof, if, in Permitter's opinion, such a change is in the best interest of the State of Utah.

4. Permitter also reserves the right to terminate this permit in whole or in part after not less than 30 days written notice by registered mail, should it desire to do so for any reason whatsoever. Permitter reserves the right to sell or exchange the above described property, in whole or in part, as it may deem to be in the best interest of the State of Utah.

5. Permittee may stockpile on the permit premises ordinary sand and gravel which has been excavated and for which Permitter has received payment providing, however, that Permittee shall totally remove all such stockpiles not less than 30 days following the termination or expiration of this permit.

6. Permitter reserves the right to lease or permit said property to third persons for mining or exploration for coal, oil, and gas and all other minerals, or for purposes of grazing or other uses of the surface lands.

7. This permit is deemed to incorporate by reference all provisions of applicable laws, rules, and regulations of the Board of State Lands and Forestry, including the Rules Governing the Issuance of Mineral Leases, and will be deemed modified whenever such laws, rules, or regulations are amended hereafter.

8. Permittee shall not assign, sub-lease, mortgage, pledge, or otherwise dispose of any interest in this permit without the written consent of Permitter. Any such action by Permittee not so having the written consent of Permitter shall be void ab initio.

9. It is understood this permit is issued only under such title as Permitter may have, and that Permitter does not warrant its title; and, in case of title failure, Permittee shall not be entitled to claim any refund of rental or purchase payments made to Permitter.

10. If the Permittee shall initiate or establish any water right on the permitted premises, such right shall become an appurtenance of the permitted premises; and, upon the termination of the permit, the Permittee shall convey the right to the Permitter.

11. Permittee agrees to furnish Permitter a performance and reclamation bond in such type and amount and by such date as Permitter may request. Further, it is expressly agreed that Permitter may at any time, upon 30 days notice by certified mail, require Permittee to furnish Permitter such additional performance and reclamation bond as Permitter may deem to be in the best interest of the State of Utah.

12. Permittee agrees to perform, following the completion of excavations, such reclamation measures as may be required by Permitter to stabilize and restore natural surface conditions. Such reclamation measures will generally consist of, but not necessarily be limited to, elimination of highwalls, contouring of slopes at a ratio not greater than three feet horizontal for each one foot vertical, elimination of access roads, replacement of natural topsoils, revegetation using such seed mixture and concentration of application as may be specified by Permitter, removal of all trash and debris, and removal of all equipment, buildings and structures owned by the Permittee or Permittee's agents.

13. Permittee agrees, in those instances where excavations will result in a significant amount of new surface disturbance or change of land use, to submit to Permitter a detailed plan of operations, not less than 60 days prior to the commencement of such planned operations. Permitter may request additional information or modification of Permittee's plan of operations, and Permittee shall not proceed with excavations without first receiving from Permitter a written approval of such plan of operations.

14. Permittee shall take reasonable precautions to protect, in place, all public land survey monuments, and private property corners. Permittee shall conduct all operations under this purchase agreement in a lawful, prudent, and good workmanlike manner, shall avoid unnecessary damage and injury to the surface or underlying estate, and shall not commit damage and wastage of other natural resources not covered by this purchase agreement.

15. It is hereby understood and agreed that all treasure trove and all articles of antiquity in or upon the subject lands are and shall remain the property of the State of Utah. Permittee shall report any discovery of a "site" or "specimen" to the Division of State History in compliance with the provisions of Section 63-18-27, Utah Code Annotated (1953), as amended.

16. Permittee agrees to indemnify and hold Permitter harmless from and against any claim or cause of action, including payment of reasonable attorney's fees, for injury or damage to person or property in any way caused by or arising out of the activity upon the premises of Permittee, its servants, employees, agents, sublessees, assignees, or invitees, or by any other conduct or transactions of Permittee pursuant to this permit.

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17. Failure to pay the agreed acreage fee or purchase price fees for a period of one month from the time said fees are due shall work a forfeiture of the permit after notice as hereinbefore provided.

IN WITNESS WHEREOF, the parties have executed this permit as of the date hereinabove first written.

STATE OF UTAH
DIVISION OF STATE LANDS & FORESTRY

By: _____
Director Permitter

x _____

Permittee

APPROVED AS TO FORM:
UTAH ATTORNEY GENERAL
DAVID L. WILKINSON

BY: 

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STATE OF UTAH)
COUNTY OF SEVIER)

On the _____ day of _____, 19____, personally appeared before me ED STOREY, who being by me duly sworn did say that he is the Southwest Regional Manager acting in behalf of RALPH A. MILES, Director of the Division of State Lands & Forestry of the State of Utah; and said instrument was signed in behalf of the State of Utah by authority of a resolution of the Board of State Lands & Forestry and further delegation of authority from the Director by Division Memorandum; and said ED STOREY acknowledged to me that the State of Utah executed the same.

Given under my hand and seal this _____ day of _____, 19____.

NOTARY PUBLIC, residing at:

My Commission Expires:

x STATE OF UTAH)
COUNTY OF)

On the _____ day of _____, 19____, personally appeared before me _____, signer of the above instrument, who duly acknowledged to me that _____ executed the same.

Given under my hand and seal this _____ day of _____, 19____.

NOTARY PUBLIC, residing at